Message Text

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INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 USIA-06 TRSE-00 /061 W

-----037880 091937Z /43

PR 091807Z MAR 78

FM AMEMBASSY ROME

TO SECSTATE WASHDC PRIORITY 1197

INFO AMCONSUL FLORENCE

AMEMBASSY BONN

AMCONSUL GENOA

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AMCONSUL TRIESTE POUCH

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USDOCOSOUTH

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USDOCOSOUTH FOR INTAF

E.O. 11652: GDS TAGS: PINT, IT

SUBJECT: NEW ANDREOTTI GOVERNMENT APPEARS ASSURED

SUMMARY: ONE OF THE LONGEST GOVERNMENT CRISES IN ITALIAN PORTWAR HISTORY APPEARS TO BE COMING TO AN END. IN A LONG COLLEGIAL SESSION ON MARCH 8, THE PARTIES REACHED AGREEMENT ON ANDREOTTI'S EMERGENCY PROGRAM; THEY ARE MEETING MARCH 9 TO DECIDE ON THE NEW GOVERNMENT'S STRUCTURE (ONE PARTY DC GOVERNMENT; DC GOVERNMENT WITH "TECHNICIAN-MINISTERS" OR, AS THE PSDI IS PROPOSING, CONFIDENTIAL

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A DC/PRI/PSDI GOVERNMENT SUPPORTED BY THE PSI AND PCI). SHOULD ALL GO AS PLANNED, ANDREOTTI HOPES TO CALL ON PRESIDENT LEONE MARCH 11 TO PRESENT HIS NEW GOVERNMENT IN ORDER TO BEGIN DEBATE IN PARLIAMENT BY THE MIDDLE OF NEXT WEEK. END SUMMARY.

1. ITALY'S GOVERNMENT CISIS, ONE OF THE LONGEST IN

POSTWAR HISTORY, APPEARS VIRTUALLY OVER. ALONG THE WAY, THE PARTIES THAT SUPPORTED ANDREOTTI'S ABSTENTION GOVERNMENT AND PARTICIPATED IN LAST JULY'S PROGRAM ACCORD HAVE BEEN REDUCED FROM SIX TO FIVE. THE SMALL LIBERAL PARTY CONFIRMED ON MARCH 7 THAT IT WOULD NOT PARTICIPATE IN A PARLIAMENTARY MAJORITY WHICH INCLUDES THE PCI. IT ACCORDINGLY WILL GO INTO OPPOSITION, PLEDGING THAT IT WILL CONTINUE "TO CONTRICBUTE TO EVERY INTIATIVE AND PROVISION THAT IT CONSIDERS USEFUL FOR THE DEFENSE OF THE COUNTRY'S INSTITUTIONS AND SOCIAL AND CIVIL PROGRESS."

2. MEETING COLLEGIALLY ON MARCH 8, PARTY DELEGATIONS OF THE REMAINING FIVE PARTIES (DC, PCI, PSI, PRI AND PSDI) REACHED AGREEMENT ON THE NEW GOVERNMENT'S PROGRAM. THE BRIEF COMMUNIQUE RELEASED AFTER THE MEETING HIGHLIGHTED THE NEED TO DEAL URGENTLY WITH THE PROBLEMS OF UNEMPLOYMENT AND DEVELOPMENT OF THE ECONOMICALLY DEPRESSED SOUTH. THE CONCLUDING COLLEGIAL SESSION WAS NOT AS PERFUNCTORY AS HAD DNEN ANTICIPATED, HOWEVER, DUE TO THE STRONG RESERVATIONS REASIED BY REPUBLICAN PRESIDENT LA MALFA ON THE ADEQUACY OF THE ECONOMIC PROGRAM. ACCORDING TO LA MALFA, THE PROGRAM DID NOT SUFFICIENTLY COMMIT THE PARTIES, AND PARTICULARLY THE UNIONS, TO A RIGOROUS ECONOMIC PROGRAM, INCLUDING THE NEED TO CONTAIN WAGE INCREASES. AT ONE POINT, CONFIDENTIAL

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IT APPEARED THAT LA MALFA'S OBJECTIONS MIGHT PROLONG THE MEETING TO A SECOND DAY. FINALLY, AFTER NEARLY SEVEN HOURS OF DELIBERATION, LA MALFA'S CRISITICISMS WERE APPARENTLY OVERCOME BY THE INCLUSION OF SENTENCE IN THE COMMUNIQUE IN WHICH THE PARTIES AGREED THAT THE EMERGENCY ECONOMIC MEASURES WOULD BE RE-EXAMINED SHOULD ECONOMIC CONDITIONS DETERIORATE.

3. WITH AGREEMENT ACHIEVED ON THE PROGRAM, THE DC PARTY DELEGATION IS MEETING SEPARATELY ON MARCH 9 WITH THE OTHER PARTIES TO DECIDE ON A STRUCTURAL FORMULA FOR THE NEW GOVERNMENT. IN RZXENT WEEKS, TWO FORMULAE HAVE BEEN DISCUSSED: 1) CONTINUATION OF DC ONE-PARTY GOVERNMENT, AND2) INCLUSION OF "TECHNICIAN MINISTER" (INCLUDING REPRESENTATIVES OF OTHER PARTIES) IN A DC GOVERNMENT. AT THE MARCH 8 COLLEGIAL MEETING, HOWEVER, THE SOCIAL DEMOCRATS REVIVED A PROPOSAL TO FORM A DC/PRI/PSDI GOVERNMENT SUPPORTED BY THE PSI AND PCI IN THE PARLIAMENTARY MAJORITY. WHILE SUCH A FORMULA WILL UNDOUBTEDLY BE INCLUDED IN TODAY'S DISCUSSIONS, IT APPEARS TO STAND LITTLE CHANCE OF SUCCESS. SOCIALIST LEADERS HAVE ALREADY LABLED

THE PROPOSAL AS UNACCEPTABLE, AND THE COMMUNISTS APPEAR EQUALLY NEGATIVE. A RANKING PCI LEADER CONFIRMED THE PCI'S NEGATIVE VIEW IN A CONVERSATION WITH AN EMBOFF MARCH 9. HE SAID, ON THE OTHER HAND, THAT THE INCLUSION OF A FEW "TECHNICIAN MINISTERS" REMAINED A POSSIBLITY.

4. UNLESS NEGOTIATIONS ON THE NEW GOVERNMENT'S STRUCTURE ARE UNEXPECTEDLY BOGGED DOWN (THEY REPORTEDLY DO NOT INCLUDE DISCUSSION OF INDIVIDUAL CABINET APPOINTMENT), ANDREOTTI SAID HE EXPECTS TO CALL ON PRESIDENT LEONE BY THE END OF THE WEEK (SATURDAY, MARCH 11) TO PRESENT HIS LIST OF MINISTERS. IF ALL GOES WELL, WE UNDERTAND THAT CONFIDENTIAL

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ANDREOTTI HOPES TO PRESENT HIS NEW GOVERNMENT IN PARLIAMENT (FIRST IN THE CHAMBER) ON WEDNESDAY, MARCH 15.

5. OUR COMMENTS AND EVALUATION OF THE NEW GOVERNMENT WILL BE PROVIDED AS SOON AS DETAILS OF THE PROGRAM AND STRUCTURAL FORMULA ARE KNOWN.

GARDNER

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: GOVERNMENT REFORM, CABINET, REPORTS, PERSONNEL APPOINTMENTS, POLITICAL SITUATION

Control Number: n/a Copy: SINGLE Draft Date: 09 mar 1978 Decaption Date: 01 jan 1960 Decaption Note: Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event: Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ROME04471
Document Source: CORE
Document Unique ID: 00

Drafter: n/a

Enclosure: n/a Executive Order: GS Errors: N/A

Expiration: Film Number: D780106-0820 Format: TEL

From: ROME Handling Restrictions: n/a

Image Path:

ISecure: 1

Legacy Key: link1978/newtext/t19780387/aaaacvuo.tel Line Count: 144

Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 596d4cca-c288-dd11-92da-001cc4696bcc

Office: ACTION EUR

Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 3
Previous Channel Indicators: n/a Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 18 may 2005 **Review Event:**

Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 3386360 Secure: OPEN Status: NATIVE

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TAGS: PINT, IT To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/596d4cca-c288-dd11-92da-001cc4696bcc

Review Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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